

AMENDED IN ASSEMBLY JANUARY 4, 2006

AMENDED IN ASSEMBLY APRIL 11, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 798

Introduced by Assembly Member Wolk

February 18, 2005

~~An act to add Division 26.7 (commencing with Section 79600) to the Water Code, relating to financing a water quality, watershed protection, and flood management program, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds. An act to amend Sections 12986 and 12987.5 of the Water Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 798, as amended, Wolk. ~~Water Quality, Watershed Protection, and Flood Management Bond Act of 2006. Delta levee maintenance.~~

(1) Existing law establishes a delta levee maintenance program pursuant to which a local agency may request reimbursement for costs incurred in connection with the maintenance or improvement of project or nonproject levees in the Sacramento-San Joaquin Delta. Existing law declares legislative intent to reimburse eligible local agencies under this program, until July 1, 2006, in an amount not to exceed 75% of those costs that are incurred in excess of \$1,000 per mile of levee, and on and after that date, in an amount not to exceed 50% of those described costs.

This bill, instead, would declare legislative intent to reimburse up to 75% of those described costs until July 1, 2008, and on and after that date, to reimburse up to 50% of those described costs. The bill would

require the department, until July 1, 2008, and if it completes a specified evaluation, to identify, based on that evaluation, those levees that require financial assistance under this program. The bill, upon the identification of those levees by the department, would require the Reclamation Board, until July 1, 2008, to allocate available funds under this program only to benefit those levees.

(2) Existing law, until July 1, 2006, authorizes the board to provide funds to an eligible local agency under this program in the form of an advance in an amount that does not exceed 75% of the estimated state share.

This bill would extend the operation of that provision to July 1, 2008.

~~Under existing law, various measures have been approved by the voters to provide funds for water projects, facilities, and programs.~~

~~This bill would enact the Water Quality, Watershed Protection, and Flood Management Bond Act of 2006 which, if adopted, would authorize, for purposes of financing a water quality, watershed protection, and flood management program, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$_____.~~

~~This bill would require the Secretary of State to submit the bond act to the voters at the _____ election.~~

Vote: $\frac{2}{3}$ majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12986 of the Water Code, as amended
2 by Section 13 of Chapter 601 of the Statutes of 1996, is amended
3 to read:

4 12986. (a) It is the intention of the Legislature to reimburse
5 an eligible local agency pursuant to this part for costs incurred in
6 any year for the maintenance or improvement of project or
7 nonproject levees as follows:

8 (1) No costs incurred shall be reimbursed if the entire cost
9 incurred per mile of project or nonproject levee is one thousand
10 dollars (\$1,000) or less.

11 (2) Not more than 75 percent of any costs incurred in excess of
12 one thousand dollars (\$1,000) per mile of project or nonproject
13 levee shall be reimbursed.

(3) (A) As part of the project plans approved by the board, the department shall require the local agency or an independent financial consultant to provide information regarding the agency's ability to pay for the cost of levee maintenance or improvement. Based on that information, the department may require the local agency or an independent financial consultant to prepare a comprehensive study on the agency's ability to pay.

(B) The information or comprehensive study of the agency's ability to pay shall be the basis for determining the maximum allowable reimbursement eligible under this part. Nothing in this paragraph shall be interpreted to increase the maximum reimbursement allowed under paragraph (2).

(4) Reimbursements made to the local agency in excess of the maximum allowable reimbursement shall be returned to the department.

(5) The department may recover, retroactively, excess reimbursements paid to the local agency from any time after January 1, 1997, based on an updated study of the agency's ability to pay.

(6) All final costs allocated or reimbursed under a plan shall be approved by the reclamation board for project and nonproject levee work.

(7) Costs incurred pursuant to this part that are eligible for reimbursement include construction costs and associated engineering services, financial or economic analyses, environmental costs, mitigation costs, and habitat improvement costs.

(b) (1) If the department completes its evaluation pursuant to Sections 139.2 and 139.4, the department shall identify, based on that evaluation, those levees that require financial assistance under this section.

(2) Upon the identification of levees pursuant to paragraph (1), and notwithstanding any other provision of law, the board shall allocate available funds under this section only to benefit those levees so identified.

~~(b)~~

(c) This section shall become inoperative on July 1, ~~2006~~ 2008, and, as of January 1, ~~2007~~ 2009, is repealed, unless a later enacted statute, that becomes operative on or before January 1,

1 ~~2007~~ 2009, deletes or extends the dates on which it becomes
2 inoperative and is repealed.

3 *SEC. 2. Section 12986 of the Water Code, as amended by*
4 *Section 14 of Chapter 601 of the Statutes of 1996, is amended to*
5 *read:*

6 12986. (a) It is the intention of the Legislature to reimburse
7 from the General Fund an eligible local agency pursuant to this
8 part for costs incurred in any year for the maintenance or
9 improvement of project or nonproject levees as follows:

10 (1) No costs incurred shall be reimbursed if the entire cost
11 incurred per mile of levee is one thousand dollars (\$1,000) or
12 less.

13 (2) Fifty percent of any costs incurred in excess of one
14 thousand dollars (\$1,000) per mile of levee shall be reimbursed.

15 (3) The maximum total reimbursement from the General Fund
16 shall not exceed two million dollars (\$2,000,000) annually.

17 (b) This section shall become operative on July 1, ~~2006~~ 2008.

18 *SEC. 3. Section 12987.5 of the Water Code is amended to*
19 *read:*

20 12987.5. (a) In an agreement entered into under Section
21 12987, the board may provide for an advance to the applicant in
22 an amount not to exceed 75 percent of the estimated state share.
23 The agreement shall provide that no advance shall be made until
24 the applicant has incurred costs averaging one thousand dollars
25 (\$1,000) per mile of levee.

26 (b) Advances made under subdivision (a) shall be subtracted
27 from amounts to be reimbursed after the work has been
28 performed. If the department finds that work has not been
29 satisfactorily performed or where advances made actually exceed
30 reimbursable costs, the local agency shall promptly remit to the
31 state all amounts advanced in excess of reimbursable costs. If
32 advances are sought, the board may require a bond to be posted
33 to ensure the faithful performance of the work set forth in the
34 agreement.

35 (c) This section shall become inoperative on July 1, ~~2006~~
36 2008, and, as of January 1, ~~2007~~ 2009, is repealed, unless a later
37 enacted statute, that becomes operative on or before January 1,
38 ~~2007~~ 2009, deletes or extends the dates on which it becomes
39 inoperative and is repealed.

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**All matter omitted in this version of the bill
appears in the bill as amended in Assembly,
April 11, 2005 (JR11)**

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